



Annual Business Plan and Budget

2021/22



Renmark
Paringa
Council







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Council

Annual Business Plan and Budget 2021/22

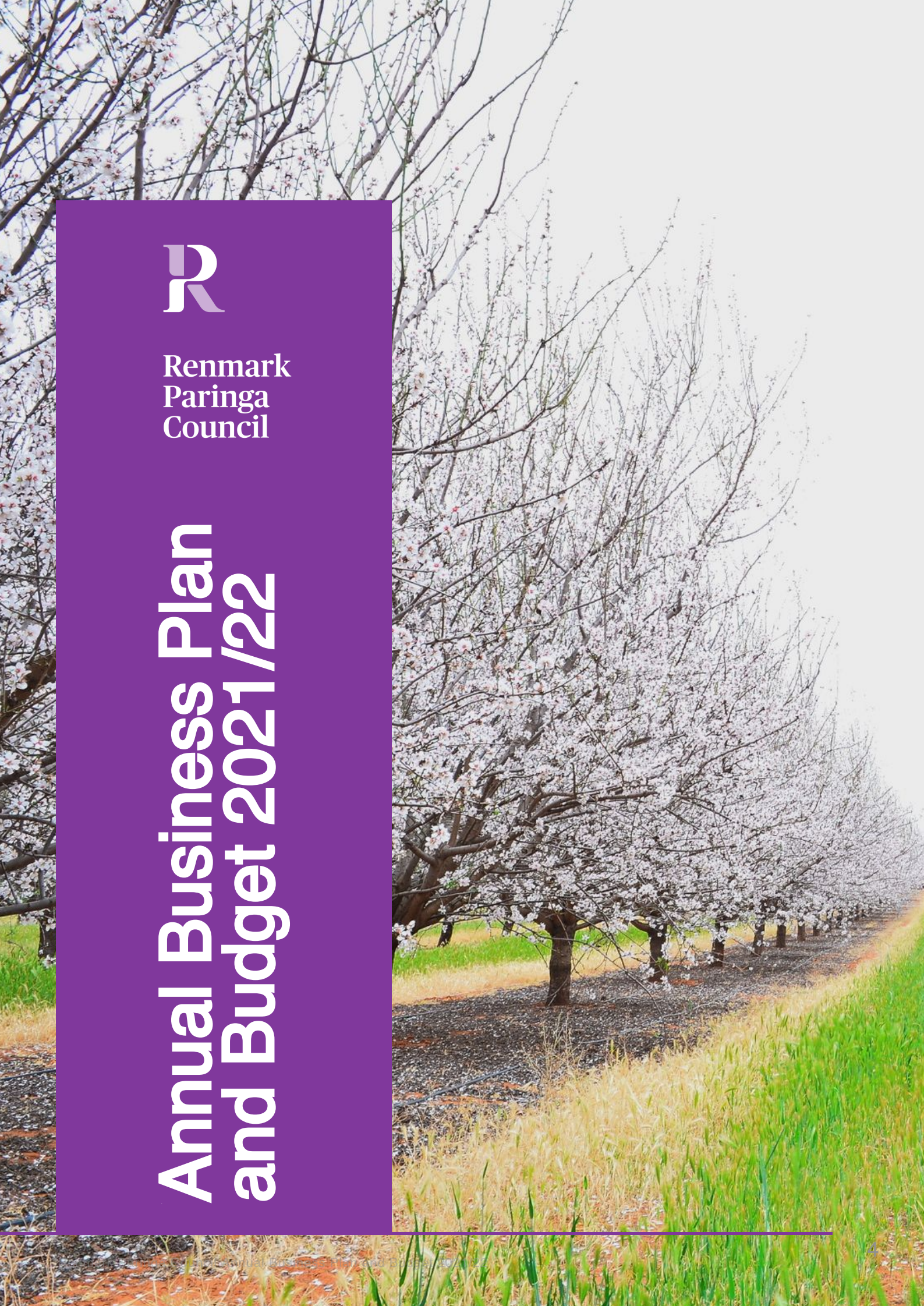
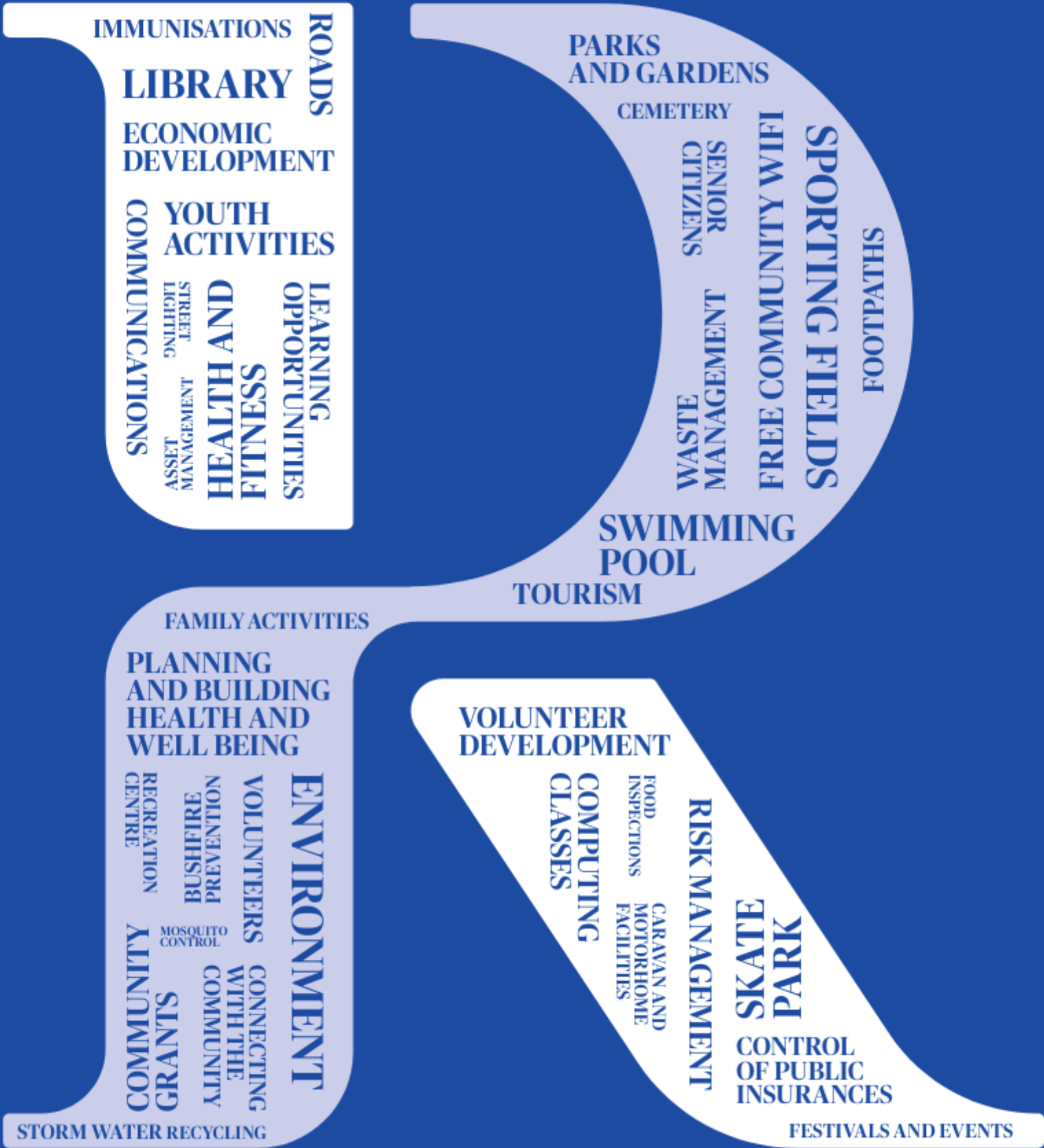




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Special thanks to valued community member Grant Schwartzkopff for supplying images.



Message from the Mayor

Dear Residents and Ratepayers,

I am pleased to present Renmark Paringa Council's Annual Business Plan and Budget 2021-2022.

As we close from what can only be described as an extraordinary year, I wish to reflect on our community with pride. We are emerging from a global pandemic more resilient and with even stronger community connections than before.

In 2021-2022 we will continue to identify opportunities for new approaches and partnerships to support our community and enable our businesses and economy to grow and prosper. We will also deliver major strategic projects and programs to improve our environment, our community and our places, to bring us together and celebrate what we all enjoy about living, working and playing in the Renmark Paringa Council area. This plan includes capital expenditure programs that respond directly to calls from both the State and Federal Governments to partner with them to deliver major infrastructure projects to further stimulate the economy.

Our proposed capital works program will not only continue to maintain Renmark Paringa's public amenity, but will also help stimulate the economy and create local jobs. We have thought carefully about the needs of our diverse community, not only over the next twelve months but for future generations as demonstrated in our latest suite of strategic documents.

In order to fund our Annual Business Plan, we have taken a disciplined approach and have maintained rate rises at a sustainable level that is in line with our Long Term Financial Plan.

Our Annual Business Plan and Budget 2021-2022 is ambitious but deliverable and will ultimately guide us toward our vision '*To enhance the liveability, prosperity and sustainability of our community*'.

**Yours faithfully,
Neil Martinson**



At a Glance

The Annual Business Plan and Budget outlines how Council will allocate its budget and what services, programs and projects will be delivered in the coming financial year to contribute to achieving the community's long term objectives.

In 2021/22 Council has significant expenditure on the renewal and upgrade of key assets including:

- Renmark Swimming Pool Upgrade
- Government Road is entering the 4th stage of this project and will be upgrading and widening the road as well as intersection realignments.
- Stage 4 of the Community Wastewater Management Systems (CWMS) Condition Audit.

Some of these projects are multi year projects that have already commenced and will carry over to 2021/22. This ensures that Council achieves its long term goals through effective project management.

Council will continue to maintain essential infrastructure such as roads, footpaths, storm water drainage and open space. It will also provide regulatory services such as planning and development, food hygiene, and provide other key services such as waste collection, a library, community services and environmental management.

The major components of the 2021/22 Annual Business Plan are outlined in the table below.

Planned Projects	28 Annual Business Plan and Budget projects have been identified to contribute towards achieving Council's long term objectives.
Capital Budget	\$9,392,000 million of capital works, with \$8,485,000 million carry over from 2020/21 for multi year projects; Government Road stages 3 & 4, Outdoor Swimming Pool and Renmark Wastewater Treatment Plant Renewal.
Operating Budget	Operating deficit of \$1.744 million. This is marginally above Council's Long Term Financial Plan target, further detail can be found on page 16.
Loans	An increase in loan balances of \$7.8 million to fund the infrastructure capitals.
Rates	Average residential rate increase of \$43. Fixed charge is maintained at \$400.
Rating Policy	Council continues to use capital value when rating properties. Council uses a differential rating system, using land use codes as the factor to apply such differential rates. Highest differential rate is on vacant properties to encourage development.
Financial Sustainability	Operating surplus ratio of (11%). Net financial liabilities ratio of 53%. Asset sustainability ratio of 258%.

Our Council

Renmark Paringa Council covers an area of approximately 407 square kilometres and is home to an estimated population of 9,475 (2016 Census). The area has three major settlements being Renmark, Paringa and Lyrup.

In Renmark Paringa the top performing industries in terms of productivity (value added) are; agriculture at \$143.8 million (33.6 percent), transport at \$29.8 million (7 percent), construction at \$28.4 million (6.6 percent), manufacturing at \$28.3 million (6.6 percent), retail at \$27 million (6.3 percent), and health care at \$23.1 million (5.4 percent).

The true value of tourism is difficult to quantify, as it includes parts of numerous industries. Across the whole Riverland (reliable statistics are not available for Renmark Paringa) visitor expenditure is approximately \$182 million per annum, during pre-Covid times.



Our Services

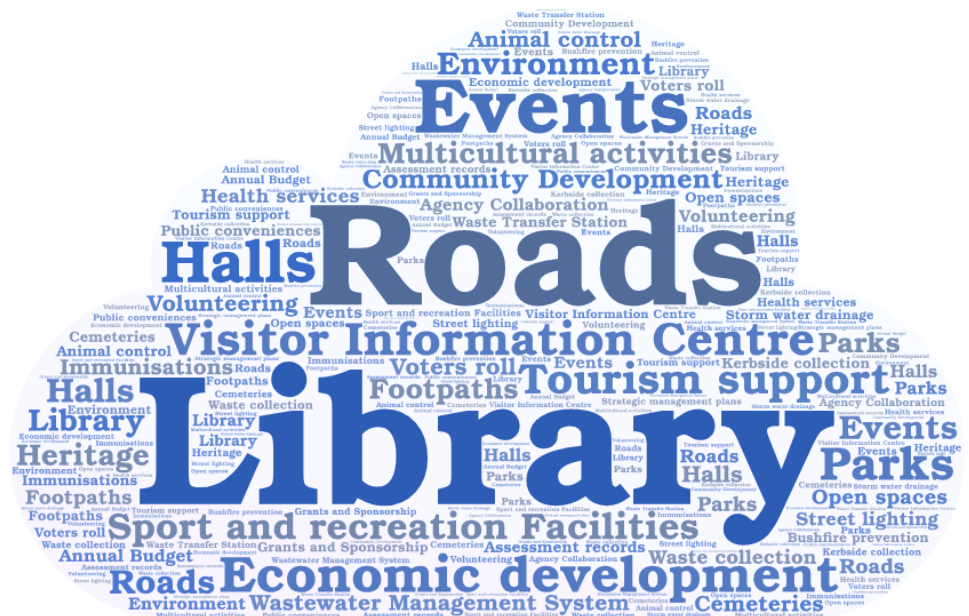
Renmark Paringa Council provides a range of services, programs and infrastructure to meet the needs of our community and to fulfil our legislative requirements under the Local Government Act 1999.

Under the Local Government Act 1999 and other relevant legislation, all councils have basic responsibilities, which include:

- Regulatory activities, including development planning and control, and fire safety
- Setting rates, preparing an annual business plan, including budgets, and developing longer term strategic management plans, asset management plans and financial plans
- Management of infrastructure and other assets, including roads, footpaths, parks, street lighting and storm water drainage
- Street cleaning and rubbish collection
- Environmental health services, including public health inspections, immunisation and pest control.

These services, programs and facilities provide important community benefits and generate revenue, which allows us to minimise rate increases while still providing funding for services and new initiatives that benefit our council area and community.

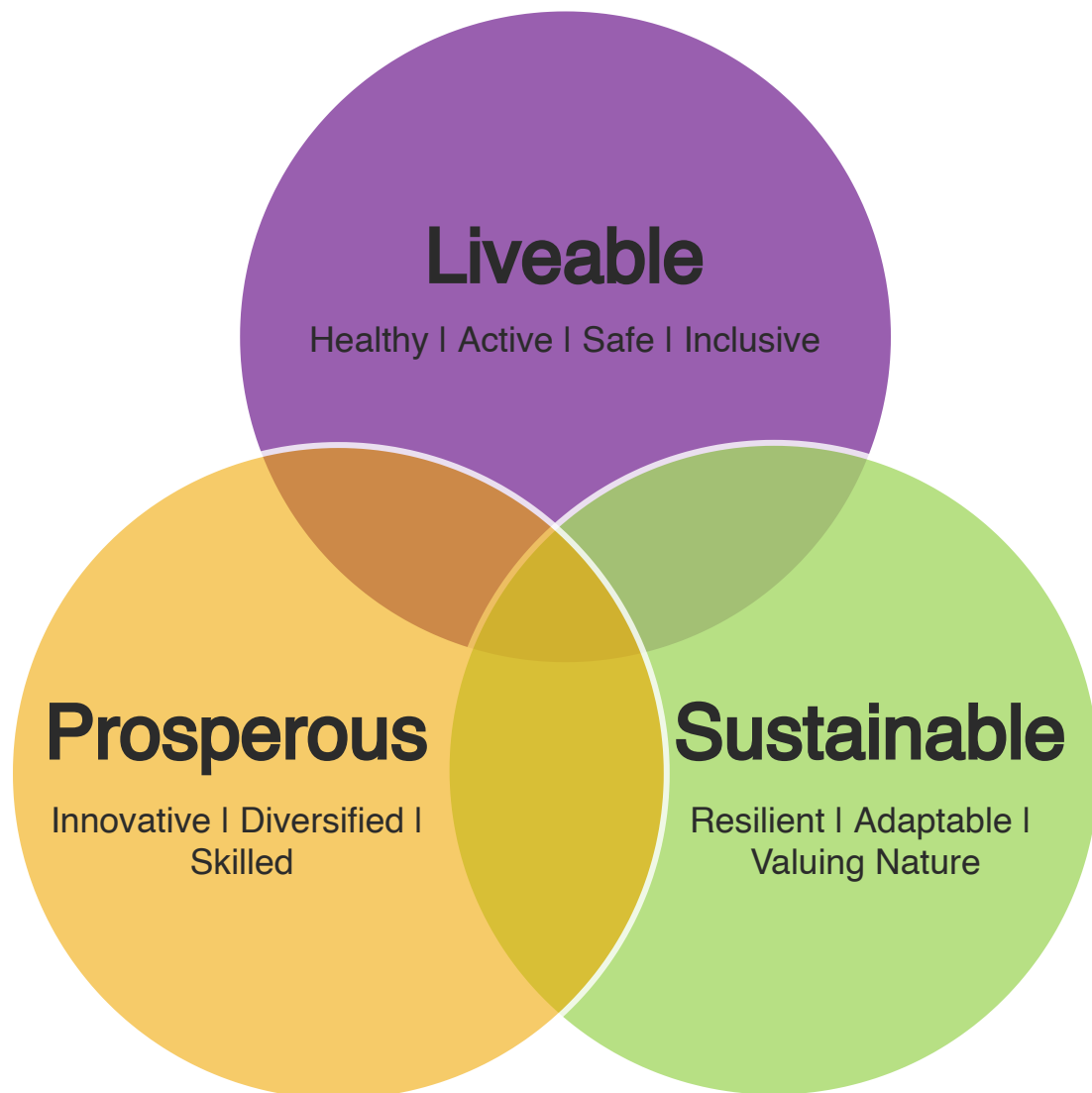
Council provides further services that are not required by legislation, but provide additional amenity and quality of life benefits to the community.



Council also operates a number of facilities on a fee for service basis. These provide community benefits while also generating revenue to offset (partially or fully) the cost to the community at large and include:

- Renmark Swimming Pool
- Alan Coulter Recreation Centre
- Cemeteries
- Renmark Airport
- Houseboat marinas

Strategic Outcomes



Effective Governance

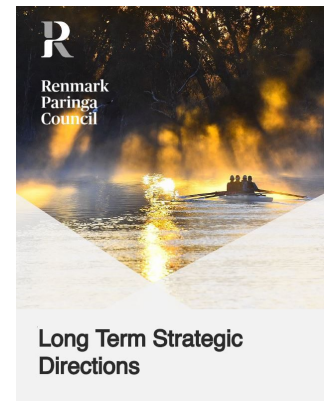
Efficient | Skilled | Accountable

Our Future

Long Term Strategic Directions

The role of the Long Term Strategic Directions is to provide an outline of the emerging trends that are likely to influence our community. It offers an indication of what the future may look like and what the evolving challenges and opportunities may be.

The Long Term Strategic Directions is not a strategic plan. It does however provide the foundation on which the Renmark Paringa Council Community Plan 2020-2030 is built upon. The Long Term Strategic Directions outlines the big picture challenges and opportunities that our community will likely encounter. The Community Plan 2020 -2030 uses this context to define a clear vision and goals for what we want to achieve on behalf of our community, in response to the challenges and opportunities.



Community Plan 2021-2030

Renmark Paringa Council's Community Plan for 2021-2030 is our overarching strategic plan which charts our desired future for the coming decade.

The role of our Community Plan 2021-2030 is to present our community vision and also our aligned strategic outcomes. Our Community Plan 2021-2030 forms part of the 'strategic management plans' under Section 122 of the Local Government Act 1999. Whilst our Community Plan only legally needs to have a lifespan of four years, it is supported by our Long Term Financial Plan and Infrastructure and Asset Management Plan, both of which legally need to have a lifespan of ten years.



Corporate Plan 2021-2024

Renmark Paringa Council's Corporate Plan for 2021-2024 is our medium term plan for what Council will achieve on behalf of the community over the coming few budget cycles. It takes the Strategic Outcomes and Goals that are established within the Community Plan 2021-2030 and breaks down staged priorities. The intent is that these staged priorities will then cascade into and form the basis of each Annual Business Plan and Budget cycle.

These strategic documents are pioneering for Renmark Paringa Council. First and foremost they are born out of evidence. The Long Term Strategic Directions document identifies Council's challenges and opportunities and the following strategic documents cascade from that.



Significant Influences

A number of significant factors have influenced the preparation of Council's draft Annual Business Plan and Budget 2021/22. These include:

Local Government Reform

The Statutes Amendment (Local Government Review) Bill was passed by the State Government in June 2021. The revised legislation will have benefits in terms of public transparency and accountability but the implementation of this legislation will add financial costs to Councils.

Elections

State and Federal elections will occur in the 2021-2022 financial year. Council takes a proactive approach in lobbying and advocating for projects that align with the vision for our community. Council has a number of strategic objectives in our Corporate Plan 2021-2024 that will be a focus for discussion with the other tiers of Government as the election campaign commences.

Covid-19 Recovery

Council remains responsive to the latest guidance by SA Health and any restrictions imposed in order to help manage public health risks posed by COVID-19. Council has plans in place to continue delivering services should COVID-19 restrictions change.

Planning System Reforms

The State Government has introduced the biggest changes to development laws in the past 25 years. The change impacts how applications are lodged and assessed, and how development policy is formed and amended.

Project Delivery Impacts

Economic stimulus grants offered by the Federal and State Governments have resulted in significant demand in the construction sector. The sector is currently facing a shortage of trades to deliver on work, increased pricing and shortages of materials, which is resulting in delayed time frames. Council is not immune to these impacts and will be proactive in engaging with suppliers and contractors, however it is expected that there may be impacts to the projected costs of projects and delivery schedules.

Community Activation

COVID-19 related restrictions on social interaction and community gatherings has directly undermined the fundamental concept of community activation of the public realm. The opportunity exists for Council to re-focus our events on smaller, community led, place-based activities and an increased use of outdoor spaces.

Long Term Financial Pressures

In accordance with the Long Term Financial Plan, Council needs to meet its obligations without leaving a significant financial impost for future generations.

Infrastructure Demands

The ongoing maintenance of existing infrastructure is required to ensure continued benefit to the community.

Consumer Price Index (CPI) - an increase of 1.2% (year ending March 2021).

Balancing the expectations of keeping rates low against increasing service delivery and infrastructure responsibilities and unavoidable cost increases.

A broader and more long term view of our community's challenges and opportunities can be found within Renmark Paringa [Council's Long Term Strategic Directions](#).

Significant Projects for the 2021/22 Year

Jane Eliza Development

This project is significant for the region and is expected to act as a major economic driver across several industrial and property asset classes. Pending the results of a feasibility study, it has the potential to provide certainty for long term growth and housing supply.

Renmark Number 1 Oval Lighting Upgrade

Funded through the Local Roads and Community Infrastructure Program, South Australian Cricket Association, Renmark Football Club and Council, the lighting at the Renmark Number 1 Oval will be replaced and upgraded. This will enable more sport to be played at night throughout the year.

Hard Waste Collection and Regional Waste Strategy

In 2017, Council undertook a hard waste collection that was hugely successful and popular with our community. 2021/22 will see the return of a hard waste collection.

The Murraylands and Riverland Local Government Association has recently endorsed the MRLGA Waste and Resource Recovery Strategy 2021-2025. The implementation of the strategy for Renmark Paringa Council will deliver a bin audit and the completion of new collection and disposal contracts, taking into consideration alternative kerbside collection services.

Urban Design Framework – Stages 2 and 5

Stage 2 will see an upgrade Murray Avenue to improve streetscape amenity as well as pedestrian safety and walkability and vehicular movement in the locality. This project will also improve signage/wayfinding and laneways/access to Murray Avenue from surrounding streets and car parking areas. This project is dependent on external funding to proceed.

Investigations and detailed designs will commence for Stage 5 of the Urban Design Framework which will achieve an upgrade to the Ral Ral/Renmark/Murray Avenue Intersection improving pedestrian safety and walkability, vehicular movement and general streetscape improvements in the locality.

Government Road – Stage 4

The final stage of the Government Road Strategic Freight Route Upgrade will be completed in 2021/22, seeing 4.2 kilometres of road widened and intersection improvements from 200m North of Sixty Foot Road to Ral Ral Avenue.

Renmark Town Wharf

The Renmark Town Wharf will undergo a significant upgrade in this financial year. A portion of the wharf from the North-western end for approximately 230 metres will have steel sheet piling installed in front of the existing vinyl sheet pile and subsequently backfilled with a new concrete cap and footpath to be constructed. These upgrades will be tied in with the works to the lower end of the wharf to provide a wholly renewed asset for community use.

Funding our ABP and Budget

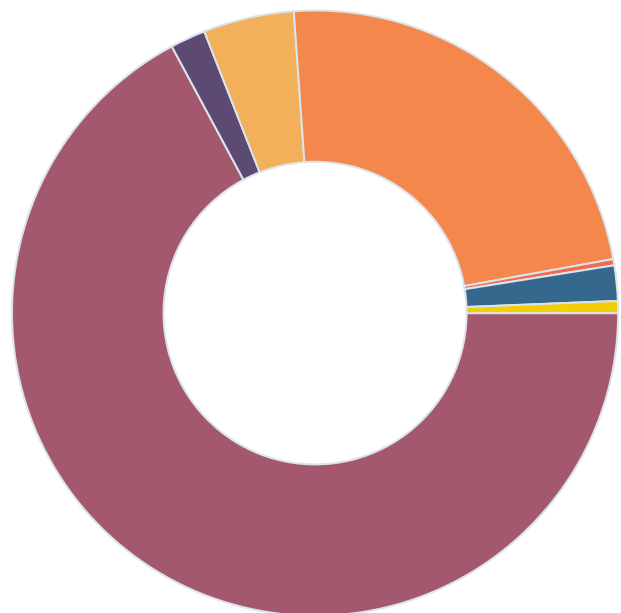
Council has budgeted for an operating deficit of \$1.744m for 2021/22. The operating result measures the difference between revenue and expenses for the period.

Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

Council has developed a Long Term Financial Plan and Infrastructure and Asset Management Plan which provides a system for Council to meet its financial obligations into the future.

INCOME	\$'000
Rates Revenues	10,688
Statutory Charges	299
User Charges	770
Grants, Subsidies and Contributions	3,701
Investment Income	53
Reimbursements	300
Other Income	102
Total Income	15,913

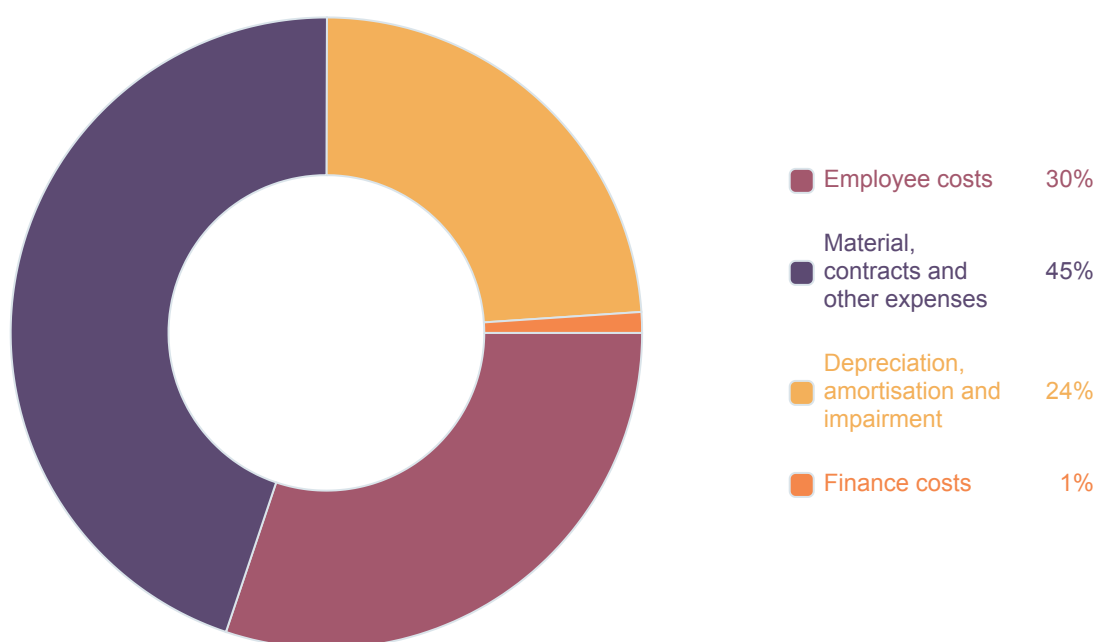
Rates Revenues	67.2%
Statutory Charges	1.9%
User Charges	4.8%
Grants, Subsidies and Contributions	23.3%
Investment Income	0.3%
Reimbursements	1.9%
Other Income	0.6%



The previous chart has been prepared to provide a visual representation of the sources of revenue received by Council. As can be seen from this graph 67% of this revenue is received by way of rate income and 23% from grants.

The expenditure chart below shows that approximately 30% of costs are attributable to the payment of salaries and wages and approximately 45% is applied to materials, contracts and other expenses.

EXPENSES	\$'000
Employee costs	5,324
Material, contracts and other expenses	7,924
Depreciation, amortisation and impairment	4,222
Finance costs	187
Total Expenses	17,657



Measuring our Performance

To enable both the Council and the community to assess Council's performance over the 2021/22 year, 'Performance Targets' have been set for a number of selected activities as shown below.

These financial and non-financial 'Performance Targets' will be reviewed throughout the year and at its conclusion a report on the performance outcomes will then be included in the 2021/22 Annual Report.

FINANCIAL PERFORMANCE

Council is required to report on defined Key Performance Indicators (KPI) which measures the impact of the Annual Budget on Council's financial position and ultimately, its long term sustainability.

Council's Long Term Financial Plan (LTFP) establishes the target for a particular year into the future, combined with target ranges adopted by Council.



Indicates that Council is ahead of the KPI target from the LTFP for the corresponding year.



Indicates that Council is behind the KPI target from the LTFP for the corresponding year.



Indicates that the Council is on par with the KPI target from the LTFP for the corresponding year.

OPERATING RESULT



In 2021/22 Council is budgeting for an operating deficit of \$1,744,000.

To determine whether Council has achieved a successful result in 2021/22, the target is measured against the corresponding 2021/22 target from the LTFP.

Year	2020/21 Forecast	2021/22 Draft LTFP Target	2021/22 Budget
Result	(461,000)	(1,642,000)	(1,744,000)
Status			



OPERATING SURPLUS RATIO

The operating surplus ratio expresses the projected operating result as a percentage of general rate revenue. The operating surplus ratio is directly related to the operating result, and as such the target is to have a ratio of between 0% and 10%.

Year	2020/21 Forecast	2021/22 Draft LTFP Target	2021/22 Budget
Result	(3%)	(10%)	(11%)
Status			



NET FINANCIAL LIABILITIES RATIO

The Net Financial liabilities ratio expresses the projected Net Financial Liabilities as a percentage of total operating revenue for each year. Council has set a target range of between -50% and 50%.

Year	2020/21 Forecast	2021/22 Draft LTFP Target	2021/22 Budget
Result	15%	37%	53%
Status			

ASSET SUSTAINABILITY RATIO

This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with what is needed to cost-effectively maintain service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in Council's Infrastructure and Asset Management Plan. Council has set a target range of between 90% and 110%. The ratio's are outside the target due to the delays in construction as a result of COVID-19, unexpected increase in external funding and internal capacity to deliver.

Year	2020/21 Forecast	2021/22 Draft LTFP Target	2021/22 Budget
Result	167%	100%	258%
Status			

NON-FINANCIAL PERFORMANCE

While financial performance measures are important in tracking the Council's financial sustainability and management of community assets, they are not the only performance measures that should be used to determine overall performance. Non-financial measures provide information on Council's capacity to deliver services to the community.

COMMUNITY ENGAGEMENT BASED INDICATORS

Indicator	Council Target
Community satisfaction with the range and quality of services provided by Renmark Paringa Council.	A minimum of 75% of respondents report satisfaction with the range and quality of services provided. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with the variety of opportunities to engage with Council.	A minimum of 70% of respondents report satisfaction with the opportunities to engage with Council. <i>Measure: LGA Community Satisfaction Survey</i>
Community perception that services and facilities provided by Renmark Paringa Council enhance quality of life.	A minimum of 70% of respondents report that services and facilities provided enhance their quality of life. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with recreational and leisure facilities provided by Renmark Paringa Council.	A minimum of 80% of respondents report satisfaction with library services. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with library services.	A minimum of 80% of respondents report satisfaction with library services. <i>Measure: LGA Community Satisfaction Survey</i>
Community perception of safety and security.	A minimum of 70% of respondents report that the safety and security provided by Council satisfactory. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with Council's Performance.	A minimum of 70% of respondents report satisfaction with Council's overall performance. <i>Measure: LGA Community Satisfaction Survey</i>
Community satisfaction with council facilitation in promoting tourism, business development and growth.	A minimum of 70% of respondents report satisfaction with Council's tourism and business development and growth. <i>Measure: LGA Community Satisfaction Survey</i>

General Rates

Rates are a tax levied on properties according to their capital value which are determined by the Valuer General. After consideration of the influences and priorities forecast to be present in 2021-22 and beyond, Council is forecasting to generate \$7,438,376 in General Rate Revenue (excluding CWMS and Waste Management Charge).

The table below highlights the change in average rates paid including (CWMS, Waste Management Charge and Landscape Levy) based on an average residential property value of \$263,643.

2021/22 RPC Residential Average	\$1,866
2020/21 RPC Residential Average	\$1,823
2021/22 RPC average dollar value of rate increase for residential properties	\$43
2021/22 RPC average percentage rate increase for residential properties	2.36%

VALUATION METHOD

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

- Capital Value – the value of the land and all improvements on the land.
- Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements
- Annual Value – a valuation of the rental potential of the property.

Council continues to use Capital Value as the basis for valuing land within the Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that taxpayers of greater wealth pay more tax than those of lesser wealth.
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value.

DIFFERENTIAL GENERAL RATES AND COMMUNITY EQUITY ISSUES

All land within a council area, except land specifically exempt (e.g. crown land, council occupied land and other land prescribed in the Local Government Act – refer Section 147 of the Act), is rateable.

The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through the imposition of a single general rate or through differential general rates, which apply to all rateable properties within the Council area.

Council uses a differential rating system, using Land Use Codes as the factor to apply such differential rates. In applying differential general rates, Council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all Council areas, particularly as it relates to the various sectors of the business and wider community.

Land Use	Capital Value 21/22	Capital Value 20/21	Capital Valuation	Rate (cents in the dollar) 21/22	General Rates raised 21/22	General Rates Raised 20/21
Residential	1,000,335,963	920,584,651	8.66%	0.2428	3,858,815	3,748,549
Commercial (Shops)	47,292,134	50,000,820	(5.42%)	0.5150	301,353	317,303
Commercial (Office)	5,068,044	4,638,759	9.25%	0.5150	34,208	32,370
Commercial (Other)	53,008,951	55,667,249	(4.78%)	0.5150	297,849	333,218
Industrial (Light)	3,509,937	2,655,693	32.17%	0.5150	24,076	19,077
Industrial (Other)	36,149,579	33,594,173	7.61%	0.5150	207,784	194,903
Primary Production	535,088,504	475,350,406	12.57%	0.3622	2,294,189	2,094,661
Vacant Land	33,629,018	30,457,548	10.41%	0.8005	362,570	337,115
Other	11,602,825	10,341,792	12.19%	0.2428	57,533	125,281
Totals	1,725,684,955	1,583,291,091	8.99%		7,438,376	7,202,447

FIXED CHARGE

A fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the Council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

The reasons for imposing a fixed charge are:

- Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities.
- Council considers it appropriate that all rateable properties make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.

Council is limited to the amount that can be raised by the fixed charge in that it cannot raise more than 50% of its general rate revenue from the fixed charge component. In 2021/22 Council raised 31% of its general rate revenue by way of the fixed charge.

The fixed charge proposed for 2021/22 is \$400. The charge in 2020/21 was \$400.

SEPARATE RATE - REGIONAL LANDSCAPE LEVY

Renmark Paringa Council is within the South Australian Murraylands and Riverland Landscapes Board and is required under the Landscapes South Australia Act 2019 to fund the operations of the board. It does so by imposing a separate rate for all rateable properties within the Council. The Council is required to act as a collection agent in this regard. Council does not retain this revenue, nor determine how it is spent.

The Landscapes Board of SA has determined Council's contribution for 2021/22 as \$360,751. This is an increase of 4% on last years contribution. The total revenue will be generated by a rate in the dollar against the capital value of each rateable property.

The proposed Regional Landscape Levy cents in the dollar for 2021/22 is \$0.021275.

Service Charges

Council may impose an annual service charge on land (both rateable and non rateable) within its area to which it provides or makes available a prescribed service. A prescribed service is legislated as any of the following services:

- The treatment or provision of water
- The collection, treatment or disposal (including recycling) of waste
- A television transmission service
- Any other service prescribed by the regulations

Council levies three (3) service charges; two Community Wastewater Management Schemes (CWMS) and a Waste Management Charge. The CWMS service charge is levied against all properties that currently are connected or have the ability to be connected to these schemes. The Waste Management Charge is levied against all properties that are eligible to receive the Council's Waste Collection Service.

All revenue raised from the CWMS charge must be used to cover the cost to the Council of establishing, operating, maintaining, improving and replacing (including by future capital works) the service. The service charge for CWMS is calculated using the Code for Establishing and Applying Property Units for the Imposition of Annual Service Charges for CWMS. The proposed CWMS Service Charge for 2021/22 is \$460 per property unit. The charge in 2020/21 was \$455. The service charge for Waste Management is calculated based on the total cost to provide the service to relevant properties and the cost to dispose of that waste. The service is supplied to town residential and rural residential, with the service charge based on providing a three bin system for Town Residential properties and a two bin system for Rural Residential properties, as well as the appropriate disposal of the waste collected.

The proposed Waste Management Charge to be applied for 2021/22 is:

Area	Services Provided		Proposed Services Charge 21/22	Service Charge 20/21
Town Residential – this includes properties that are within the township boundaries of Renmark, Paringa and Lyrup	Collection and Disposal	General Waste (140 litre bin collected weekly)	\$160.00	\$155.00
		Recyclables (240 litre bin collected fortnightly)	\$75.00	\$75.00
		Green Waste (240 litre bin collected fortnightly)	\$75.00	\$64.00
		TOTAL	\$310.00	\$294.00
Rural Residential – this includes properties that exist outside of the township boundaries of Renmark, Paringa and Lyrup	Collection and Disposal	General Waste (140 litre bin collected weekly)	\$160.00	\$155.00
		Recyclables (240 litre bin collected fortnightly)	\$75.00	\$75.00
		TOTAL	\$235.00	\$230.00

Rebate of Rates

MANDATORY

The Local Government Act requires Councils to rebate the rates payable for certain land uses. This includes land used for health and community services, religious purposes, cemeteries and educational institutions.

The rebates vary from 75% to 100%. People or bodies seeking a rebate must make an application to Council. Information and application forms can be obtained from the Council Office at Eighteenth Street, Renmark.

DISCRETIONARY

Council has the power to provide discretionary rebates in certain circumstances.

All discretionary rebates are only considered on application and must be received by 31st May for consideration in the following financial year.

Council also has in place the Residential Expansion Incentive Program 2019-2022, which offers a discretionary rate rebate of up to 75 percent for subdivisions of more than five allotments.

POSTPONEMENT OF RATES – HARDSHIP

Section 182 of the Local Government Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where the ratepayer is suffering hardship in paying rates they are invited to contact the Council's Rates Officer on 8580 3000 to discuss the matter. Council treats such inquiries confidentially.

POSTPONEMENT OF RATES – SENIORS

Applications may be made to Council for a postponement of the payment of any amount of rates in excess of \$500.00, for the current or a future financial year by:

- A ratepayer who holds a current State Seniors Card issued by the State Government, (prescribed ratepayer) or spouse of a prescribed ratepayer, and
- Where the rates are payable on the principal place of residence, and
- Where the land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.

Any rates which are postponed will become due and payable:

- When the title to the land is transferred to another person; or
- There is a failure to comply with a condition of postponement.

Interest will accrue on the amount postponed at the prescribed rate per month until the full amount is paid.

Postponement is available as a right and can only be refused when the applicant/s has less than 50% equity in the property.

Other Revenue

STATUTORY CHARGES SET BY STATE GOVERNMENT

These are maximum fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications, dog registrations, assessment of septic tank applications and freedom of information applications.

USER CHARGES SET BY COUNCIL

These comprise of charges for the Council's fee based facilities such as hire of sporting and community venues.

INVESTMENT INCOME

This comprises of income earned on investment of surplus funds during the year and is dependent on levels of Council's cash reserves. Revenue earned on specific reserves including CWMS reserves is allocated to those reserves.

RESERVES

Council currently has three reserve accounts. Funds in these accounts should only be used for works specific to the purpose the reserve account was created for.

GRANTS AND SUBSIDIES

Grants and subsidies are broken into two components being operating and capital. The major operating grant is the Commonwealth Financial Assistance Grants which is approximately \$2.8 million. Other operating grants include Grants Commission Road funding, library operations, immunisations, mosquito control, Local Roads and Community Infrastructure Funding and Roads to Recovery funding. Capital Grants are typically for major projects and are usually jointly funded between Council and other levels of Government. Council is committed to seeking any external funding that is available in order to fulfil its funding needs.

OTHER REVENUE

Revenue received through sundry Council activities.

LOAN FUNDS

Council has the ability to borrow funds for major projects. In the 2021/22 budget Council is proposing to borrow funds to support its Capital Works Program.

Reserve	Transaction 2021/22	1/7/21 Balance \$'000	Increase/ (Decrease) \$'000	30/6/22 Balance \$'000
Development	Jane Eliza Development	1,002	(825)	177
CWMS	CWMS Upgrades, CWMS Condition Assessment, Pump Upgrades	4,626	(1,395)	3,228
Open Space		48		48

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2022

	Budget	Forecast
	2021/22	2020/21
	\$'000	\$'000
INCOME		
Rates	10,688	10,117
Statutory charges	299	276
User charges	770	767
Grants, subsidies and contributions	3,701	4,776
Investment income	53	57
Reimbursements	300	304
Other income	102	246
Total Income	15,913	16,543
EXPENSES		
Employee costs	5,324	5,258
Materials, contracts and other expenses	7,924	7,756
Depreciation, amortisation and impairment	4,222	3,978
Finance costs	187	12
Total Expenses	17,657	17,004
OPERATING SURPLUS / (DEFICIT)	(1,744)	(461)
Asset disposal and fair value adjustments	26	22
Amounts received specifically for new or upgraded assets	4,450	2,670
NET SURPLUS / (DEFICIT)	2,732	2,231
Transferred to Equity Statement		
TOTAL COMPREHENSIVE INCOME	2,732	2,231

*The 'Rates' income line includes General Rates, Landscape levy, CWMS Charge and the Waste Management Charge

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Budget	Forecast
	2021/22	2020/21
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and cash equivalents	688	1,052
Trade and other receivables	1,000	1,000
Inventories	25	25
Total Current Assets	1,713	2,077
Non-current Assets		
Financial Assets	98	130
Infrastructure, property, plant and equipment	150,495	141,771
Total Non-current Assets	150,593	141,901
Total Assets	152,306	143,978
LIABILITIES		
Current Liabilities		
Trade and other payables	1,200	1,200
Borrowings	50	54
Provisions	1,000	1,000
Total Current Liabilities	2,250	2,254
Non-current Liabilities		
Borrowings	7,800	2,200
Provisions	101	101
Total Non-current Liabilities	7,901	2,301
Total Liabilities	10,151	4,555
NET ASSETS	142,155	139,423
EQUITY		
Accumulated Surplus	41,480	38,228
Asset Revaluation Reserves	97,222	97,222
Other Reserves	3,453	3,973
TOTAL EQUITY	142,155	139,243

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Budget	\$'000	\$'000	\$'000	\$'000
2022				
Balance at end of previous reporting period	36,528	97,222	5,673	139,423
Net Surplus / (Deficit) for Year	2,732			2,732
Transfers between reserves	2,220		(2,220)	
Balance at end of period	41,480	97,222	3,453	142,155
Forecast				
2021				
Balance at end of previous reporting period	34,608	97,222	5,362	137,192
Net Surplus / (Deficit) for Year	2,231			2,231
Transfers between reserves	(311)		(311)	
Balance at end of period	36,528	97,222	5,673	139,423

STATEMENT OF CASH
for the year ended 30 June 2022

	Budget	Forecast
	2021/22	2020/21
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Rates receipts	10,688	10,117
Statutory charges	299	276
User charges	770	767
Grants, subsidies and contributions (operating purpose)	3,701	4,776
Investment receipts	53	57
Reimbursements	300	304
Other receipts	102	246
<u>Payments</u>		
Payments to employees	(5,324)	(5,258)
Payments for materials, contracts and other expenses	(7,924)	(7,756)
Finance payments	(187)	(72)
Net cash provided by (or used in) operating activities	2,478	3,517
CASH FLOWS FROM INVESTING ACTIVITIES		
<u>Receipts</u>		
Amounts received specifically for new/upgraded assets	4,450	2,670
Sale of replaced assets	26	22
<u>Payments</u>		
Expenditure on renewal/replacement of assets	(8,434)	(7,050)
Expenditure on new/upgraded assets	(6,301)	(7,623)
Net cash provided by (or used in) investing activities	(10,259)	(11,981)
CASH FLOWS FROM FINANCING ACTIVITIES		
<u>Receipts</u>		
Proceeds of borrowings	7,800	2,200
<u>Payments</u>		
Repayments of borrowings	(335)	(20)
Repayments of lease liabilities	(48)	(48)
Net cash provided by (or used in) financing activities	7,417	2,132
Net increase (decrease) in cash held	(364)	(6,332)
Cash and cash equivalents at beginning of period	1,052	7,384
Cash and cash equivalents at end of period	688	1,052

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note - FINANCIAL INDICATORS

Amounts	Indicator	Indicator
Forecast	2021/22	2020/21

These Financial Indicators have been calculated in accordance with Information paper 9 – Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

Operating Surplus Ratio			
<u>Operating Surplus</u>	(1,744)	(11%)	(3%)
Total Operating Revenue	15,913		

This ratio expresses the operating surplus as a percentage of total operating revenue.

Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	8,463	53%	15%
Total Operating Revenue	15,913		

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio			
Net Asset Renewals	8,434	258%	167%
Infrastructure and Asset Management Plan required expenditure	3,267		

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	Budget	Forecast
	2021/22	2020/21
	\$'000	\$'000
Income	15,913	16,543
<u>less Expenses</u>	(17,657)	(17,004)
Operating Surplus / (Deficit)	(1,744)	(461)
<i>less Net Outlays on Existing Assets</i>		
Capital Expenditure on renewal and replacement of Existing Assets	(8,434)	(7,050)
Depreciation, Amortisation and Impairment	4,222	3,978
Proceeds from Sale of Replaced Assets	26	22
Subtotal	(4,186)	(3,050)
<i>less Net Outlays on New and Upgraded Assets</i>		
Capital Expenditure on New and Upgraded Assets	(6,301)	(7,623)
(including investment property and real estate developments)		
Amounts received specifically for New and Upgraded Assets	4,450	2,670
Proceeds from Sale of Surplus Assets (including investment property and real estate developments)		
Subtotal	(1,851)	(4,953)
Net Lending / (Borrowing) for Financial Year	(7,781)	(8,464)

Capital Projects

2021/22

	Renewal	New	External Funding
Buildings	\$53,000		
Civic Centre Air conditioning Renewal			
Transport	\$555,000	\$3,300,000	\$2,530,000
Government Road - Stage 4 ¹			
Road Reseal Program ²			
Road Resheeting Program			
Road Condition Assessment			
Murray Avenue Realignment			
Resheet Runway 18/36 ³			
CWMS	\$522,000	\$200,000	\$722,000
CWMS Renewal ⁴			
CWMS Upgrade at Renmark Caravan Parks Design and Survey ⁴			
CBD CWMS Investigation/Detailed Design ⁴			
Plant and Machinery	\$287,000	\$80,000	\$73,000
Major Plant and Vehicle Replacement ⁵			
Jet Patcher			

1 Special Local Roads Program (SLRP) Funding

2 Roads to Recovery Funding

3 Regional Airport Program - Round 2

4 CWMS Reserve

5 Plant Replacement Income

	Renewal	New	External Funding
Land Improvements	\$2,575,000	\$1,536,900	\$2,500,000
Renmark Town Wharf (Section A) ⁶			
Renmark Number 1 Oval Lighting Upgrade ⁷			
Urban Design Framework - Stage 2 (plus Wayfinding and Walkability of CBD) Detailed Design & Construction ⁸			
Urban Design Framework - Stage 5 Investigations & Detailed Design			
Street Light in Ral Ral Avenue			
Development of Allotment 64 Cowra Steet			
Jane Eliza Development Stage 2			
ICT	\$35,000	\$249,000	
Deployment of Mobile Strategy across each of the businesses			
Standardisation of ICT systems			
Review use of Conquest Asset Management System and integration with GIS			
Adoption of a 'digital-first' approach to the delivery of services			
Ongoing Hardware Replacement Program			
Deployment of suitable AV equipment in meeting rooms			
Video Conference Capabilities for internal and external conferencing			
Upgrade and consolidation of phone systems			
RPC IT Renewal			
Grand Total	\$4,027,000	\$5,365,900	\$5,825,000

6 Local Government Infrastructure Partnership Program

7 Local Roads and Community Infrastructure Program

8 Murray Darling Basin - Economic Development Program

Operating Projects 2021/22

	Renewal
Sustainable	\$250,000
CWMS Condition Audit - Stage 4	
Hard Waste Collection	
Regional Waste Strategy Implementation	
Joint Planning Board & Regional Plan	
Prosperous	\$178,100
Jane Eliza Development Strategy	
Effective Governance	\$135,333
ICT Strategy	
Local Government Reform Bill Implementation	
Grand Total	\$563,433

Carryover Projects from 2020/21

At the June 2021 Ordinary Council Meetings, Council resolved to carry forward the below projects and associated unspent funds. These projects encountered significant delays due to approval process, contractor availability or revised project scoping.

Transport

Government Road - Stage 3 ¹

Bookmark Creek Pedestrian Access ²

CWMS

Renmark Wastewater Treatment Plant Renewal ³

Storage Capacity Increase - Renmark WWTP ⁴

Land Improvements

Boat Ramp - Lock 6 ⁵

Asbestos Fence - Renmark Cemetery

Lyrup Cemetery Improvements

Paringa Town Centre Revitalisation - Project Planning & Design

LED Streetlight Upgrade

Renmark Swimming Pool Upgrade

Wayfinding Strategy

Renmark Wharf Renewal - Section B & C

Evans Street Stormwater

Jane Eliza Development Stage 1

- 1 Special Local Road Program (SLRP) Funding
- 2 Murray Darling Basin - Economic Development Program
- 3 CWMS Reserve
- 4 Local Roads and Community Infrastructure Program
- 5 SABFAC Funding



**Renmark
Paringa
Council**

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